

Water Works District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)

Annual Financial Report

As of and for the year ended
June 30, 2011

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Annual Financial Statements
As of and for the year ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the President and Members of the Board of Commissioners
Waterworks District No.1 of the Parish of Avoyelles

I have audited the accompanying financial statements of the Waterworks District No.1 of the Parish of Avoyelles, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with accepted auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Waterworks District No.1 of the Parish of Avoyelles as of June 30, 2011, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 18, 2011 on my consideration of Waterworks District No.1 of the Parish of Avoyelles' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's response to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basis financial statement. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

W. Kathleen Beard

Certified Public Accountant
December 18, 2011

REQUIRED SUPPLEMENTARY INFORMATION

**Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana**

Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of Waterworks District No. 1 of Avoyelles Parish, Louisiana's financial performance provides an overview of Waterworks District No. 1's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the District's basic financial statements.

Financial Highlights

The assets of the District exceeded its liabilities at June 30, 2011 by \$785,209 (net assets). Of this amount \$381,002 was unrestricted and may be used to meet the District's ongoing obligations. Net assets decreased by \$18,448 in fiscal year 2011.

Overview of the Financial Statements

The annual report consists of three parts: Management discussion and analysis, basic financial statements and supplementary information. The basic financial statements present information for the District and is designed to make the statements easier to understand. The basic financial statements consist of the fund financial statements and notes to the financial statements.

**Table 1
Net Assets**

	2010	2011
Current and other assets	\$ 477,502	\$ 466,734
Capital assets	406,609	404,207
Total Assets	884,111	870,940
Long term outstanding debt	-0-	-0-
Other liabilities	80,454	85,731
Total Liabilities	80,454	85,731
Net Assets		
Invested in capital assets, net of related debt	406,609	404,207
Unrestricted	397,048	381,002
Total Net Assets	\$ 803,657	\$ 785,209

Net assets are restricted as to the purposes they can be used for, or, are invested in capital assets (buildings, water equipment, etc.). Unrestricted net assets are those that do not have any limitations for which these amounts may be used.

Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

Table 2
Changes in Net Assets

	2010	2011
<u>Revenue</u>		
Operating -		
Charges for services	\$ 325,419	\$ 327,302
Non-operating -		
Interest revenue	<u>4,941</u>	<u>3,908</u>
Total revenue	330,360	331,210
<u>Expenses</u>		
Operating	318,738	349,658
Non-operating -		
Interest expense	<u>-0-</u>	<u>-0-</u>
Total expenses	<u>318,738</u>	<u>349,658</u>
Change in Net Assets	11,622	(18,448)
Beginning Net Assets	<u>792,035</u>	<u>803,656</u>
Ending Net Assets	\$ <u>803,657</u>	\$ <u>785,209</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had \$1,293,740 invested in capital assets, including buildings, water wells, tanks and lines, and equipment. There were additions to capital assets of \$28,862 and no deletions during 2011.

The District had not outstanding indebtedness at June 30, 2011.

**Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana**

Management's Discussion and Analysis (Unaudited) (Continued)

Contacting the District's Management

This financial report is designed to provide our customers, citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Avoyelles Waterworks District No.1's office in Bordelonville, Louisiana.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

Water Works District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Bordelonville, Louisiana
Statement of Net Assets
June 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 146,473
Investments	191,483
Accounts receivable - Customers	47,085
Inventory	12,116
Prepaid insurance	8,798
Cylinder deposit	1,000
Total Current Assets	<u>406,956</u>

RESTRICTED ASSETS

Cash and cash equivalents:	
Water customer deposits	33,702
Investment in Certificates of Deposit:	
Water customer deposits	26,076
Total Restricted Assets	<u>59,778</u>

CAPITAL ASSETS

Property and equipment (net of accumulated depreciation of \$889,533)	<u>404,207</u>
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TOTAL ASSETS

\$ 870,940

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payable from Current Assets:	
Accounts payable	\$ 7,845
Accrued compensated absences payable	14,095
Payroll taxes payable	3,816
Sales tax payable	198
Total Payable from Current Assets	<u>25,954</u>

Payable from Restricted Assets:	
Customer deposits	59,778
Total Payable from Restricted Assets	<u>59,778</u>
Total Current Liabilities	<u>85,731</u>

NET ASSETS

Invested in capital assets, net of related debt	404,207
Unrestricted	<u>381,002</u>

TOTAL NET ASSETS

\$ 785,209

The accompanying notes to the financial statements are an integral part of this statement.

Water Works District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Bordelonville, Louisiana
Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2011

OPERATING REVENUES

Charges for services	
Water sales	\$ 311,228
Late charges	5,129
Tap fees	8,003
Miscellaneous	2,942
	<hr/>
Total operating revenues	327,302

OPERATING EXPENSES

Salaries and benefits	145,559
Repairs, maintenance, testing, chemicals, parts and supplies	45,461
Board fees	1,780
Professional fees	4,500
Utilities	61,715
Payroll taxes	10,698
Office supplies, postage, bank charges	11,695
Insurance	15,669
Miscellaneous	3,736
Bad debt expense	-
Rent	300
Communications	5,047
Depreciation	31,264
Fuel	11,448
Travel	786
	<hr/>
Total Operating Expenses	349,658

INCOME FROM OPERATIONS (22,356)

NON-OPERATING REVENUES (EXPENSES)

Interest revenue	3,908
Interest expense	-
	<hr/>
Total Non-operating Revenues (Expenses)	3,908

INCREASE/(DECREASE) IN NET ASSETS (18,448)

NET ASSETS AT BEGINNING OF YEAR 803,656

NET ASSETS AT END OF YEAR \$ 785,209

The accompanying notes to the financial statements are an integral part of this statement.

Water Works District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Bordelonville, Louisiana
Statement of Cash Flows
For the year ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 327,666
Reimbursement from Fema	-
Cash payments to suppliers for goods and services	(180,473)
Cash payments to employees for services	(131,345)
Net Cash Provided by (Used for) Operating Activities	<u>15,848</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(28,862)
Net Cash (Used for) Capital and Related Financing Activities	<u>(28,862)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	3,908
(Increase)/Decrease in Investments	(2,711)
Net Cash Provided by (Used for) Investing Activities	<u>1,197</u>

INCREASE (DECREASE) IN CASH (11,817)

Cash and Cash Equivalents, Beginning of Year	191,992
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 180,175</u></u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Income/(loss) from operations	\$ (22,356)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	31,264
Net Change in Assets and Liabilities -	
(Increase) Decrease in accounts receivable	(3,567)
(Increase) Decrease in governmental receivable	-
(Increase) Decrease in inventory	4,714
(Increase) Decrease in prepaid expense	515
Increase (Decrease) in accounts payable	(379)
Increase (Decrease) in accrued compensated absences	2,693
Increase (Decrease) in payroll taxes payable	(875)
Increase (Decrease) in sales tax payable	(92)
Increase (Decrease) in customer security deposits	3,931
Total Adjustments	<u>38,204</u>
Net cash provided by (used for) operating activities	<u><u>\$ 15,848</u></u>

Cash and Cash Equivalents - Unrestricted	\$ 146,473
Cash and Cash Equivalents - Restricted	33,702
	<u><u>\$ 180,175</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

Introduction

Waterworks District No. 1 of the Parish of Avoyelles was created on February 5, 1969 by the Avoyelles Parish Police Jury. The "District" operates under a president-board form of government whose appointments are made by the Avoyelles Parish Police Jury.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with, or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date, the District has chosen not to do so.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure (roads, and bridges).

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Avoyelles Parish Police Jury appoints the governing board and because of the scope of public service, the District is deemed to be a component unit of the Avoyelles Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. Basic Financial Statements – Fund Financial Statements

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Waterworks District No. 1 of Avoyelles Parish reports a single proprietary fund.

The District is organized and operated on the basis of funds whereby a separate self - balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenue and expense. The operations are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is used to account for water services provided to the residents and businesses within the District.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, including special assessments.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash on hand and all restricted and unrestricted cash in banks (demand deposits, interest-bearing demand deposits and money market accounts) and highly liquid investments, having a maturity of three months or less when purchased are considered to be cash equivalents.

F. Investments

Investments at June 30, 2011 are stated at fair value.

G. Inventories

Inventories consist of parts and materials and are recorded as an expense when consumed. Inventories are valued at the lower of cost, utilizing the first in - first out method of valuation, or market.

H. Restricted Assets

Restricted assets are comprised of bank accounts containing utility customer deposits.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets

The cost of property, plant and equipment, including significant betterments to existing facilities and infrastructure is recorded in the enterprise fund on its balance sheet. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets are charged as an expense against operations and has been computed under the straight - line method based on the estimated useful lives of the individual assets. Estimated useful lives are as follows:

Distribution system	50 years
Storage tanks	40 years
Pumping stations and buildings	20 years
Other Equipment	3 -10 years

All capital assets are stated at historical cost. Donated assets are valued at their estimated fair value on the date donated. For the fiscal year ended June 30, 2010, there was no interest charges capitalized on fixed assets acquired or constructed.

J. Compensated Absences

The District has adopted a policy for paid vacation and sick leave for all full time employees. Employees with 1 – 5 years of service are granted 14 days annual leave; employees with over 5 years of service are granted 14 days annual leave plus 1 day for each additional year of service to a maximum of 25 days. Unused vacation leave is lost at the end of the calendar year. Employees hired before June 30, 1996 are allowed to carry forward any unused vacation leave as of that date, however, vacation leave earned after that date is non-cumulative. Sick leave may be accumulated indefinitely. At June 30, 2011, the amount of unused paid leave has been reported in these financial statements.

K. Defining Operating Revenues and Expenses

The District distinguishes between operating and non-operating revenues and expenses - operating revenues and expenses of the District consist of charges for services (including tap fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as non-operating.

L. Net Assets

Net assets is the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

2. Deposits and Investments

Deposits - Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At year-end, the carrying amount of the District's deposits was \$180,111 and the bank balance was \$204,348. All of the bank balance was covered by federal depository insurance.

Investments - State law allows the District to invest in any direct obligation of the United States Treasury; other debt issued or guaranteed by the full faith and credit of the United States; certificates of deposit of any bank in Louisiana; mutual funds which are registered with the Securities and Exchange Commission and invest in securities of the U. S. government or its agencies; guaranteed investment contracts issued by banks or insurance companies or investment grade commercial paper of domestic U. S. corporations.

Change in Investments - Certificates of Deposit	Cost	Fair Value
Balance, June 30, 2010	\$ 214,848	\$ 214,848
Add: Investment purchase (capitalized interest)	<u>2,711</u>	<u>2,711</u>
Balance, June 30, 2011	\$ 217,559	\$ 217,559

Custodial Risk of Investments Custodial credit risk for investments is the risk that, in the event of failure of the counter party, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are insured and are not registered in the name of the District and are held by either the counter-party's trust department or agents but not in the District's name. The District has no custodial credit risk at June 30, 2011 since all investments are insured by federal depository insurance.

The District has not formally adopted deposit and investment policies that limit the District's allowable deposits or investments and address the specific types of risk to which the District is exposed. The District's investment in certificates of deposit represents their acceptance of lower rate of return in exchange for lower risk.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

3. Accounts Receivable

At June 30, 2011 accounts receivable from customers is comprised of the following:

Current	\$ 29,085
Past due	<u>2,850</u>
	31,935
Unbilled receivables	<u>15,150</u>
	<u>\$ 47,085</u>

4. Capital Assets -

The following is a summary of the capital asset activity for the year ended June 30, 2011:

	July 1, 2010	Additions	Deletions	June 30, 2011
Non-depreciable Assets -				
Land	\$ 31,720	\$ -	\$ -	\$ 31,720
Depreciable Assets -				
Water System	1,028,941	-	-	1,028,941
Buildings	114,951	-	-	114,951
Equipment	83,310	28,862	-	112,172
Office Equipment	5,955	-	-	5,955
Total Depreciable	<u>1,233,157</u>	<u>28,862</u>	<u>-</u>	<u>1,262,020</u>
Total Capital Assets	1,264,877	28,862	-	1,293,740
Accumulated Depreciation -				
Water System	776,508	18,392	-	794,900
Buildings	22,990	2,874	-	25,864
Equipment	53,123	9,691	-	62,813
Office Equipment	5,648	308	-	5,955
Total Accum Depr	<u>858,269</u>	<u>31,264</u>	<u>-</u>	<u>889,532</u>
Capital Assets - Book Value	<u>\$ 406,609</u>			<u>\$ 404,207</u>

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Notes to the Financial Statements
June 30, 2011

5. Retirement Commitments

Employees of the District are members of the social security retirement system. The District has no further liability for retirement commitments.

6. Litigation and Claims

At June 30, 2011 the District was not involved in litigation or is aware of any unasserted claims.

7. Risk Management

The District purchases commercial insurance to deal with potential liabilities. The District maintains insurance policies to cover risks related to workers compensation, general liability, public officials errors and omissions, commercial property damage, and automobile coverage. There was no change in the amount of insurance coverage during the fiscal year.

8. Subsequent Events

Subsequent events were evaluated through December 18, 2011 which is the date the financial statements were available to be issued. It was determined that there are no significant events requiring recognition or disclosure through this date.

OTHER SUPPLEMENTARY INFORMATION

Water Works District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Bordelonville, Louisiana
Schedule of Compensation Paid Board Members
For the Year ended June 30, 2011

Board Member

David Bordelon	\$	530
Aloysia C. Ducote		250
James Armand		300
Peter Lemoine		400
Hayward Voiselle		<u>300</u>
Total	\$	<u><u>1,780</u></u>

REPORTS REQUIRED BY GOVERNMENT STANDARDS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the President and Members of the Board of Commissioners
Waterworks District No. 1 of the Parish of Avoyelles

I have audited the accompanying financial statements of the the business -- type activities, and each major fund of Waterworks District No. 1 of the Parish of Avoyelles (A Component Unit of the Avoyelles Parish Police Jury) as of and for the year ended June 30, 2011, and have issued my report thereon dated December 18, 2011. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for a limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Waterworks District No. 1 of the Parish of Avoyelles' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended for the information of the members of the board of commissioners of Waterworks District No. 1 of the Parish of Avoyelles and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

W. Kathleen Beard

Certified Public Accountant
December 18, 2011

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Schedule of Findings
For the Year Ending June 30, 2011

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Waterworks District No 1 of the Parish of Avoyelles.
2. No control deficiencies were disclosed during the audit of the basic financial statements in the report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the Waterworks District No 1 of the Parish of Avoyelles were disclosed during the audit.

B. Findings - Financial Statements Audit

There were no findings.

Waterworks District No. 1 of the Parish of Avoyelles
(A Component Unit of the Avoyelles Parish Police Jury)
Schedule of Prior Year Audit Findings
For the Year Ending June 30, 2011

A. Internal Control and Compliance Material to the Financial Statements

There were no findings.

B. Management Letter

No management letter was issued.